

LNF & IHCIF Calculations Illustration **- SANTEE in Aberdeen area -**

Given Data

- 1,312 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 46% = % Expenditures on purchased services, 54% = % expenditures in-house
- 93.0% = Cost index for purchasing health care in this geographic area
- 131.9% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,276 per person for purchased services = $46\% \times 93.0\% \times \$2,980$
- \$2,119 per person for in-house services = $54\% \times 131.9\% \times \$2,980$
- \$3,396 per person total = \$1,276 (purchase) + \$2,119 (in-house)
- **\$3,692 per person total** adjusted for health status = $\$3,396 \times 108.7\%$
- **\$2,947 per person net cost** = $\$3,692 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,312 users excluding wrap-around and collections)

- \$758 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,015 per person for OU users** = $\$758 + \$203 + \$54$

LNF Calculation

- **27.5% Gross LNF** = $\$1,015$ (expenditures) / $\$3,692$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **34.5% Net LNF** = $\$1,015 / \$2,947$ net cost ($\$3,692 - \745 other)

IHCIF Allocation

- \$987,780 = \$ to raise LNF% from 34.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$34,454 Allocation** = $\$987,780$ needed for 60% * 3.488% IHCIF fraction

SANTEE Unmet Needs

- **\$3,866,200 Net Total Need** = 1,312 users * \$2,947 net cost
- **\$2,534,259 Net Unmet Need** = $(100\% - 34.5\% \text{ LNF}) \times 1,312 \text{ users} \times \$2,947 \text{ net cost}$